

**OFFICIAL STATEMENT
DATED NOVEMBER 14, 2002**

New Issue--Book-Entry Only

Ratings: AA+

In the opinion of Ice Miller, Indianapolis, Indiana ("Bond Counsel") and Gonzalez, Saggio & Harlan Co-Bond Counsel, under existing laws, regulations, judicial decisions, and rulings, interest on the Bonds (hereinafter defined) is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date of the issuance of the Bonds. In the opinion of Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Bonds is exempt from income taxation in the State of Indiana. See "TAX MATTERS" and Appendix A herein.

**\$3,740,000
THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK
BONDS, SERIES 2002E**

Dated: Date of Delivery

Due: Annually February 1 as shown below

The Indianapolis Local Public Improvement Bond Bank Bonds, Series 2002E (the "Bonds") are issued by The Indianapolis Local Public Improvement Bond Bank (the "Bond Bank") for the principal purposes of providing funds to: (i) purchase the City of Indianapolis, Indiana, Redevelopment District Annual Appropriation Revenue Bonds, Series 2002 (the "Qualified Obligations") to be issued by the Metropolitan Development Commission of Marion County, Indiana, acting as the Redevelopment Commission of Indianapolis, Indiana (the "Qualified Entity"); (ii) pay the costs of issuance of the Bonds; (iii) pay for certain expenses of the Bond Bank attributable to its general program for the purchase of qualified obligations pursuant to the Act which are incurred in carrying out and administering such program pursuant to the Indenture (hereinafter defined); and (iv) fund the Debt Service Reserve Fund, as defined in the Indenture, which will be held by the Trustee as security for the Bonds and the Qualified Obligations. The Qualified Entity will use the proceeds of the Qualified Obligations to pay the costs of the Project (as defined herein) and may use a portion of the proceeds to pay capitalized interest on the Qualified Obligations. The Qualified Entity has adopted a Bond Resolution authorizing the issuance of the Qualified Obligations and its sale to the Bond Bank and has entered into an agreement with the Bond Bank setting forth the terms of such purchase.

The Bonds are limited obligations of the Bond Bank payable solely out of the revenues and funds of the Bond Bank pledged therefor under the Indenture, as more fully described herein. The Bonds do not constitute a debt, liability or loan of the credit of the State of Indiana or any political subdivision thereof, including the City of Indianapolis, Indiana (the "City"), and Marion County, Indiana (the "County") and the Qualified Entity, under the constitution and laws of the State of Indiana or a pledge of the faith, credit and taxing power of the State of Indiana or any political subdivision thereof, including the City, County and Qualified Entity. The sources of payment of, and security for, the Bonds are more fully described herein. The Bond Bank has no taxing power. The Bonds are not subject to redemption prior to maturity.

Pursuant to the Indenture, the Bond Bank has agreed to request the City County Council of Indianapolis and Marion County to appropriate amounts to restore the Debt Service Reserve Fund to the Debt Service Reserve Requirement (both as defined herein) in accordance with IC 5-1.4-5. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS--Debt Service Reserve Fund."

The Bonds will be dated as of the date of their delivery and will bear interest from that date to their respective maturities in the amounts and at the rates set forth below. The Bonds are issuable only as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Bonds will be made in book-entry only form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers of beneficial interests in the Bonds (the "Beneficial Owners") will not receive physical delivery of certificates representing their interests in the Bonds. Interest on the Bonds is payable on February 1 and August 1 of each year commencing February 1, 2003. Interest on and the principal of the Bonds, will be paid directly to DTC by Hoosier Trust Company, Indianapolis, Indiana, as trustee, registrar and paying agent (the "Trustee," the "Registrar" and the "Paying Agent") under the Indenture, as defined and described herein, so long as DTC or its nominee is the registered owner of the Bonds. The final disbursement of such payments to the Beneficial Owners of the Bonds will be the responsibility of the DTC Participants and the Indirect Participants, all as defined and more fully described herein under the caption "THE BONDS--Book-Entry Only System."

Maturity Schedule

The Bonds shall mature on February 1 in the years and in the principal amounts, and shall bear interest at the rates per annum, all as set forth below:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
				2008	400,000	3.150%	3.150%
2004	380,000	3.000%	2.000%	2009	440,000	3.350%	3.350%
2005	390,000	3.000%	2.230%	2010	425,000	3.600%	3.600%
2006	400,000	3.000%	2.550%	2011	440,000	3.750%	3.750%
2007	410,000	3.000%	2.850%	2012	455,000	3.850%	3.850%

THIS COVER PAGE CONTAINS INFORMATION FOR REFERENCE ONLY AND IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

The Bonds are offered when, as and if issued by the Bond Bank and received by the Underwriter, subject to prior sale, to withdrawal or modification of the offer without any notice, and to the approval of legality of the Bonds by Ice Miller, Indianapolis, Indiana, Bond Counsel and Gonzalez, Saggio & Harlan Co-Bond Counsel. Ice Miller also serves as Bond Counsel to the Qualified Entity. Certain legal matters will be passed on for the Bond Bank and the Qualified Entity by the Corporation Counsel for the City, and for the Underwriter by its counsel, Stewart & Irwin, P.C., Indianapolis, Indiana. It is expected that the Bonds will be available for delivery to DTC in New York, New York, on or about November 21, 2002.

SBK BROOKS INVESTMENT CORP.

This Official Statement is being furnished to select investors on a confidential basis and with the express understanding that it shall serve solely for the purpose of allowing such investors to consider the purchase of all or a portion of the Bonds. No dealer, broker, salesperson or other person has been authorized by the Bond Bank or by the Underwriter to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implications that there have been no changes in the information presented herein since the date hereof.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE BOND BANK AND THE TERMS OF THE OFFERING, INCLUDING THE MERIT AND RISK INVOLVED. THE BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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OFFICIAL STATEMENT

\$3,740,000

The Indianapolis Local Public Improvement Bond Bank Bonds, Series 2002E

INTRODUCTION

The purpose of this Official Statement, including the cover page and appendices, is to set forth certain information concerning the issuance and sale by The Indianapolis Local Public Improvement Bond Bank (the "Bond Bank") of its \$3,740,000 aggregate principal amount of Bonds, Series 2002E (the "Bonds") to be issued by the Bond Bank. The Bonds are authorized by a resolution adopted by the Board of Directors of the Bond Bank on October 7, 2002, and are issued pursuant to the provisions of a Trust Indenture, dated as of November 1, 2002, (the "Indenture"), and the laws of the State of Indiana, including particularly IC 5-1.4, as amended from time to time (the "Act"). Hoosier Trust Company, Indianapolis, Indiana is the trustee, registrar and paying agent (the "Trustee," "the Registrar" and the "Paying Agent") under the Indenture.

The proceeds from the sale of the Bonds will be used to provide funds to (i) purchase the \$3,740,000 City of Indianapolis, Indiana, Redevelopment District Annual Appropriation Revenue Bonds, Series 2002 (the "Qualified Obligations") to be issued by the Metropolitan Development Commission of Marion County, Indiana, acting as the Redevelopment Commission of the City of Indianapolis, Indiana (the "Qualified Entity"); (ii) pay the costs of issuance of the Bonds, including Underwriter fees; (iii) pay for certain expenses of the Bond Bank attributable to its general program for the purchase of qualified obligations pursuant to IC 5-1.4 (the Act), which are incurred in carrying out and administering such program pursuant to the Indenture; and (iv) fund the Debt Service Reserve Fund, as defined in the Indenture, which will be held by the Trustee as security for the Bonds and the Qualified Obligations. The Qualified Obligations will secure payment of the Bonds. The Qualified Entity will use the proceeds of the Qualified Obligations to pay the costs of the Project (as hereinafter defined) and may use a portion of the proceeds to pay capitalized interest on the Qualified Obligations. See: Security and Sources of Payment for the Bonds.

The Bonds will be issued under and secured by the Indenture. The principal of and interest on any and all of the Bonds, together with any refunding bonds that may be authorized and issued by the Bond Bank under the Indenture on a parity with the Bonds (hereinafter collectively, the "Bonds"), are payable from those revenues and funds of the Bond Bank which, together with the Qualified Obligations, are pledged pursuant to the Indenture for the benefit of the owners of the Bonds without priority. Neither the faith, credit nor taxing power of the State of Indiana (the "State") or any political subdivision thereof including the City of Indianapolis, Indiana (the "City"), Marion County, Indiana (the "County"), and the Qualified Entity, are pledged to the payment of the principal of and interest on any of the Bonds. The Bonds are not a debt, liability, loan of the credit or pledge of the faith and credit of the State or of any political subdivision thereof, including the City, the County and the Qualified Entity. The Bond Bank has no taxing power and has only those powers and sources of revenue set forth in the Act. The Bonds are issued and secured separately from any other obligations issued by the Bond Bank.

The Bonds are secured by the pledge of the Trust Estate established under the Indenture (the "Trust Estate"), defined to be all cash and securities in the funds and accounts established by the Indenture (except the Rebate Fund and accounts therein, as described herein) (hereinafter the "Funds" and "Accounts") and the investment earnings thereon and all proceeds thereof and the Qualified Obligations and the earnings thereon and the proceeds thereof. All Bonds will be secured equally and ratably by all of the foregoing. The sources of payment for the Bonds are further described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

Pursuant to the Indenture, the Bond Bank has established a Debt Service Reserve Fund (as defined in the Indenture) as security for the Bonds. It will be funded from proceeds of the Bonds in an aggregate amount equal to the Debt Service Reserve Requirement (as defined in the Indenture). Moneys in the Debt Service Reserve Fund are required under I.C. 5-1.4-5-1(6) and the Indenture to be held and applied solely to the payment of the interest on and the principal of the Bonds or related payments on the Qualified Obligations as they become due and payable.

In order to maintain the Debt Service Reserve Requirement, the City-County Council of Indianapolis and of Marion County (the "Council") may annually appropriate to the Bond Bank for deposit in the Debt Service Reserve Fund a sum, certified by the Chairman of the Bond Bank to the Council, that is necessary to restore the amount of money in the Debt Service Reserve Fund to the Debt Service Reserve Requirement. Under I.C. 5-1.4-5-4(a), the Council is not obligated to make such appropriations to replenish the Debt Service Reserve Fund. The Council adopted Special Ordinance No. 67, 1985 indicating its intention to consider such appropriations, if necessary. See "Security and Sources of Payment for the Bonds - Debt Service Reserve Fund."

The Project to be funded with the proceeds of the Qualified Obligations consists of certain road, water, sewer and other infrastructure improvements (the "Project"). The Project is further described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - The Project."

The Bonds

Interest on the Bonds will accrue over time at the rates per annum set forth on the cover page hereof and will be payable on February 1, 2003, and semiannually on each August 1 and February 1 thereafter. The Bonds will be issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof. See "THE BONDS." The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Bonds will be made in book-entry-only form. Purchasers of beneficial interests in the Bonds (the "Beneficial Owners") will not receive physical delivery of certificates representing their interest in the Bonds. Interest on the Bonds, together with principal of the Bonds, will be paid by the Paying Agent directly to DTC, so long as DTC or its nominee is the registered owner of the Bonds. The final disbursement of such payments to Beneficial Owners of the Bonds will be the responsibility of the DTC Participants and Indirect Participants, all as defined and more fully described herein. See "THE Bonds - Book-Entry-Only System." The Bonds are not subject to redemption prior to maturity. See "THE BONDS - Redemption."

The Bond Bank and the Act

The Bond Bank is a body corporate and politic, separate from the City, established for the public purposes set forth in the Act. The Bond Bank has no taxing power. The Bond Bank is governed by a Board of five Directors, each appointed by the Mayor of the City.

Pursuant to the Act, the purpose of the Bond Bank is to buy and sell securities of "qualified entities," defined in the Act to be the consolidated city, the consolidated city's county, any special taxing district located wholly within the county, any entity whose tax levies are subject to review and modification by the city-county legislative body under IC 36-3-6-9 and any authority created under Indiana Code Title 36 that leases land or facilities to any of the foregoing qualified entities. The Qualified Entity is a "qualified entity" as defined in the Act.

The Official Statement; Additional Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

The information contained in this Introduction is qualified by reference to this entire Official Statement (including the appendices). This Introduction is only a brief description and a full review should be made of this entire Official Statement (including the appendices), as well as the documents summarized or described in this Official Statement. The summaries of and references to all documents, statutes and other instruments referred to in this Official Statement do not purport to be complete and are qualified in their entirety by reference to the full text of each such document, statute or instrument. Summaries of certain provisions of the Indenture are set forth in Appendix B.

The Comprehensive Annual Financial Report of the City of Indianapolis for the year ended December 31, 2001 is attached as Appendix D.

Information contained in this Official Statement with respect to the Bond Bank and the Qualified Entity and copies of the Indenture and the Authorizing Instrument may be obtained from The Indianapolis Local Public Improvement Bond Bank, 200 East Washington Street, Room 2421, City-County Building, Indianapolis, Indiana 46204. The Bond Bank's telephone number is (317) 327-5896.

THE BONDS

General Description

The Bonds are issuable as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. The Bonds will be dated as of their date of delivery which is anticipated to be November 21, 2002. Interest on the Bonds will be payable on February 1 and August 1 of each year, commencing February 1, 2003 (each an "Interest Payment Date"). The Bonds will bear interest (calculated on the basis of a 30-day month and a 360-day year) at the rate and will mature on the dates and in the principal amounts set forth on the cover page of this Official Statement. Each Bond will bear interest from the Interest Payment Date next preceding the date on which it is authenticated unless it is (a) authenticated after the fifteenth day of the calendar month immediately preceding the month of an Interest Payment Date (a "Record Date") and on or before the following Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (b) authenticated prior to the closing of business on the Record Date preceding the first Interest Payment Date, in which event it will bear interest from its dated date; provided, however, that if, at the time of authentication of any Bond, interest is in default, such Bond will bear interest from the date to which interest has been paid.

When issued, all Bonds will be registered in the name of and held by Cede & Co., as nominee for DTC. Purchases of beneficial interests from DTC in the Bonds will be made in book-entry-only form (without certificates) in the denomination of \$5,000 or any integral multiple thereof. So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made directly by the Paying Agent by wire transfer of funds to Cede & Co., as nominee for DTC. Disbursement of such payments to the participants of DTC (the "DTC Participants") will be the sole responsibility of DTC, and the ultimate disbursement of such payments to the Beneficial Owners, as defined herein, of the Bonds will be the responsibility of the DTC Participants and the Indirect Participants, as defined herein. See the heading "Book-Entry-Only System" under this caption.

If DTC or its nominee is not the registered owner of the Bonds, principal of the Bonds will be payable at maturity upon the surrender thereof at the delivery office of the Paying Agent. Interest on the Bonds, when due and payable, will be paid by check dated the due date mailed by the Paying Agent on or before the due date (or, in the case of an owner of Bonds in an aggregate principal amount of at least \$1,000,000, by wire transfer on such due date, upon written direction of such registered owner to the Paying Agent not less than five business days before the Record Date immediately prior to such Interest Payment Date, which direction shall remain in effect until revoked in writing by such owner) to the persons in whose names such Bonds are registered, at their addresses as they appear on the bond registration books maintained by the Registrar on the Record Date, irrespective of any transfer or exchange of such Bonds subsequent to such Record Date and prior to such Interest Payment Date, unless the Bond Bank shall default in payment of interest due on such Interest Payment Date.

Except as provided under "Book-Entry-Only System," in all cases in which the privilege of exchanging or transferring Bonds is exercised, the Bond Bank will execute and the Registrar will deliver Bonds in accordance with the provisions of the Indenture. The Bonds will be exchanged or transferred at the principal corporate trust office of the Registrar only for Bonds of the same tenor and maturity. In connection with any transfer or exchange of Bonds, the Bond Bank, the Registrar and Paying Agent or the Trustee may impose a charge for any applicable tax, fee or other governmental charge incurred in connection with such transfer or exchange, which sums are payable by the person requesting such transfer or exchange.

The person in whose name a Bond is registered will be deemed and regarded as its absolute owner for all purposes and payment of principal and interest thereon will be made only to or upon the order of the registered owner or its legal representative, but such registration may be changed as provided above. All such payments shall be valid to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Redemption

The Bonds are not subject to redemption prior to maturity.

Book-Entry-Only System

DTC will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity and series of the Bonds, will be registered in the name of Cede & Co., as nominee for DTC. DTC has advised the Bond Bank that DTC is a limited-purpose trust company organized under the laws of the State of New York, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended, DTC holds securities that its participants (the "Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain custodial relations with a DTC Participant, either directly or indirectly (the "Indirect Participants"). The Rules applicable to DTC and its Participants, are on file with the Securities and Exchange Commission.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect

Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners of Bonds will not receive certificates representing their beneficial ownership interests in the Bonds unless use of the book-entry-only system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Participants with DTC are registered in the name of DTC's nominee, Cede & Co. The deposit of Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to DTC Participants, by DTC Participants to Indirect Participants and by DTC Participants and Indirect Participants to Beneficial Owners of the Bonds will be governed by arrangements among DTC, DTC Participants, Indirect Participants and Beneficial Owners, subject to any statutory and regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent to vote with respect to the Bonds. Under its usual procedures, DTC will mail an Omnibus Proxy to the Bond Bank as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on payable date. Payments by Participants to Beneficial Owners will be governed by standing instruments and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, the Paying Agent or the Registrar, or the Bond Bank, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Bond Bank or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Bond Bank, the Paying Agent, Registrar or the Trustee.

Under these circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Bond Bank may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

THE INFORMATION PROVIDED IMMEDIATELY ABOVE UNDER THIS CAPTION HAS BEEN PROVIDED BY DTC. NO REPRESENTATION IS MADE BY THE BOND BANK OR THE UNDERWRITER AS TO THE ACCURACY OR ADEQUACY OF SUCH INFORMATION PROVIDED BY DTC OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

For so long as the Bonds are registered in the name of DTC or its nominee or any successor securities depository or its nominee, the Bond Bank and the Trustee will recognize only DTC or its nominee or such successor securities depository or its nominee as the registered owner of the Bonds for all purposes, including payments, notices and voting.

Under the Indenture, payments made by the Paying Agent to DTC or its nominee or any successor Securities Depository or its nominee shall satisfy the Bond Bank's obligations under the Indenture to the extent of the payments so made.

Neither the Bond Bank, nor the Trustee, Paying Agent or Registrar shall have any responsibility or obligation with respect

(i) the accuracy of the records of DTC, its nominee or any DTC Participant or Indirect Participant or any successor securities depository, participants thereof or nominee thereof with respect to any beneficial ownership interest in the Bonds:

(ii) the delivery to any DTC Participant or Indirect Participant or participant of any successor securities depository or any other person, other than a registered owner, as shown in the Bond Register, of any notice with respect to any Bond, including, without limitation, any notice of redemption;

(iii) the payment to any DTC Participant or Indirect Participant or participant of any successor securities depository or any other person, other than a registered owner, as shown in the Bond Register, of any amount with respect to the principal of and interest on, or the purchase price of, any Bond;

(iv) any consent given by DTC or any successor securities depository as registered owner; or

(v) the selection by DTC or any Direct Participant or Indirect Participant by any successor depository or its participants of the beneficial ownership interests in Bonds for partial redemption.

So long as the Bonds are held in the book-entry-only system of the securities depository, the Bond Bank, Paying Agent, Registrar and Trustee may treat DTC and any successor securities

depository as, and deem DTC and any successor securities depository to be, the absolute owner of the Bonds for all purposes whatsoever, including, without limitation:

Bonds;

- (i) the payment of the principal of and interest on the Bonds;
- (ii) giving notices of redemption and other matters with respect to the Bonds;
- (iii) registering transfers with respect to the Bonds; and
- (iv) the selection of the beneficial ownership interests in Bonds for partial redemption.

Revision of Book-Entry-Only System

In the event that either (1) the Bond Bank receives notice from DTC to the effect that DTC is unable or unwilling to discharge its responsibilities as a clearing agency for the Bonds or (2) the Bond Bank elects to discontinue its use of DTC as a clearing agency for the Bonds, then the Bond Bank and the Trustee, Paying Agent or Registrar will do or perform or cause to be done or performed all acts or things, not adverse to the rights of the holders of the Bonds, as are necessary or appropriate to discontinue use of DTC as a clearing agency for the Bonds and to transfer the ownership of each of the Bonds to such person or persons, including any other clearing agency, as the holder of such Bonds may direct in accordance with the Indenture. Any expenses of such a discontinuation and transfer, including any expenses of printing new certificates to evidence the Bonds will be paid by the Bond Bank.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Limited Obligations

The Bonds, together with any refunding bonds that may be authorized and issued by the Bond Bank under the Indenture on a parity with the Bonds, are payable only out of the Trust Estate. The Indenture creates a continuing pledge of and lien upon the Trust Estate to secure the full and final payment of the principal of and interest on the Bonds. **The Bonds do not constitute a debt, liability or loan of the credit of the State or any political subdivision thereof, including the City, the County and the Qualified Entity under the constitution of the State or a pledge of the faith, credit or taxing power of the State or any political subdivision thereof, including the City, the County and the Qualified Entity. The Bond Bank has no taxing power.** The sources of payment of, and security for, the Bonds are more fully described below.

Under the Indenture, the Bonds are secured by a pledge to the Trustee of the Qualified Obligations and all principal and interest payments made or required to be made on the Qualified Obligations (the "Qualified Obligations Payments"), as described herein. In addition, the Indenture pledges to the payment of the Bonds all proceeds of the Trust Estate, including without limitation all cash and securities held in the Funds and Accounts created by the Indenture, except for the Rebate Fund and the accounts thereunder, together with investment earnings thereon and proceeds thereof (except to the extent transferred to the Rebate Fund from such Funds and Accounts under the Indenture) and all other funds, accounts and moneys to be pledged by the Bond Bank to the Trustee

as security under the Indenture, to the extent of any such pledge. Under the Act and I.C. 5-1-14-4, such pledge is valid and binding from and after the date of delivery of the Bonds under the Indenture and such Qualified Obligations and the Qualified Obligations Payments thereon shall be immediately subject to the lien of such pledge without any physical delivery of the payments or further act, and the lien of such pledge is valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Bond Bank, irrespective of whether such parties have notice thereof.

Debt Service Reserve Fund

Pursuant to the Indenture, the Bond Bank has established a Debt Service Reserve Fund (the "Debt Service Reserve Fund"), which is held by the Trustee as security for the Bonds and is required to be maintained in an amount at least equal to the Debt Service Reserve Requirement (the "Debt Service Reserve Requirement"), which is equal to one-half of the maximum annual debt service on the Bonds.

I.C. 5-1.4-5-4(a) provides that, in order to maintain the Debt Service Reserve Fund at the Debt Service Reserve Requirement, the City-County Council of the City and of the County (the "Council"), may annually appropriate to the Bond Bank for deposit in the Debt Service Reserve Fund a sum, certified by the Chairman of the Bond Bank to the Council, that is necessary to restore the Debt Service Reserve Fund to the Debt Service Reserve Requirement. The Chairman of the Bond Bank, before December 1 of each year, is required under I.C. 5-1.4-5-4(a) and the Indenture to make and deliver to the Council a certificate stating the sum required to restore the Debt Service Reserve Fund to the Debt Service Reserve Requirement. I.C. 5-1.4-5-4(a) does not create any debt or liability of the City or an obligation of the Council to make any such appropriation. Although the Council is not obligated to make such appropriations to replenish the Debt Service Reserve Fund, it adopted Special Ordinance No. 67-1985 indicating its general intention to consider such appropriations if necessary. The Council has approved the issuance of the Bonds.

Moneys in the Debt Service Reserve Fund up to the amount of the Debt Service Reserve Requirement are required under the Act and the Indenture to be held and applied solely to the payment of the interest on and principal of the Bonds or related payments on the Qualified Obligations as the same shall become due and payable and for the retirement of Bonds. Such moneys may not be withdrawn from the Debt Service Reserve Fund if a withdrawal would reduce the amount in the Debt Service Reserve Fund to an amount less than the Debt Service Reserve Requirement, except for payment of interest then due and payable on the Bonds and the principal of Bonds then maturing and payable, for which payments other moneys of the Bond Bank are not then available.

The Qualified Entity and the Qualified Obligations

The Qualified Entity. The Metropolitan Development Commission of Marion County, Indiana, acting as the Redevelopment Commission of the City (the "Commission") is the governing body of the Redevelopment District of the City (the "Redevelopment District") established and existing pursuant to I.C. 36-7-15.1, as amended, and which has responsibility for the clearance, replanning and redevelopment of blighted, deteriorated and deteriorating areas within its boundaries, which are coterminous with the boundaries of Marion County, but excluding the municipalities of Beech Grove, Lawrence, Southport and Speedway. A portion of the proceeds of the Bonds will be used to purchase the City's Redevelopment District Annual Appropriation Revenue Bonds, Series 2002 (such then being, upon purchase, qualified obligations and also being referred to as the "Qualified Obligations"), the proceeds of which will be used to undertake a redevelopment project within the Redevelopment District (see the heading "The Project" under this caption).

The Qualified Obligations. A portion of the proceeds of the Bonds will be used by the Bond Bank to purchase the Qualified Obligations from the Qualified Entity. The Qualified Obligations have been authorized in a principal amount not to exceed \$3,740,000 and are designated the "City of Indianapolis Redevelopment District Annual Appropriation Revenue Bonds, Series 2002. "The Qualified Obligations were authorized by the Commission by its Bond Resolution, Resolution No. 2002-B--23, adopted on October 2, 2002 (the "Authorizing Instrument"). See Appendix C for the Summary of the Authorizing Instrument. See the headings "Provisions for Payment of the Qualified Obligations" under this caption.

The Qualified Obligations are being issued principally for the purpose of funding the costs of the Project. See the heading "The Project" under this caption.

The Qualified Obligations will be issued in a principal amount equal to the aggregate principal amount of the Bonds, and will be dated their date of delivery which is anticipated to be November 21, 2002. The Qualified Obligations will mature in the same amount and on the same days as the Bonds, and will bear interest payable on each Interest Payment Date and at the same interest rates per annum as the Bonds. Interest on the Qualified Obligations will be paid to the Trustee under the Indenture. Principal of the Qualified Obligations will be paid directly to the Trustee (for the account of the Bond Bank). The Qualified Obligations are not subject to redemption prior to maturity. See "THE BONDS-- Redemption."

The Qualified Obligations are limited obligations of the Qualified Entity payable solely from and secured exclusively by the revenues and accounts pledged therefor under the Authorizing Instrument. See "Provisions for Payment of the Qualified Obligations" below. There can be no assurance that the revenues and accounts pledged under the Authorizing Instrument will be sufficient to pay the principal of and interest on the Qualified Obligations, and thereby provide the Bond Bank sufficient revenues to pay the principal of and interest on the Bonds. The Qualified Obligations do not constitute a debt, liability or loan of the credit of the State, the City or the County under the

constitution and laws of the State or a pledge of the faith, credit or taxing power of the State, the City or the County.

Provisions for Payment of the Qualified Obligations

General. The Qualified Obligations are expected to be paid out of and subject to annual appropriations from the Cumulative Capital Funds of the City and the County. See the headings "Cumulative Capital Funds," and "Procedures for Property Assessment, Tax Levy and Collection" under this caption

Authorizing Instrument. In the Authorizing Instrument, the Commission authorizes issuance of the Qualified Obligations and covenants to pay the Qualified Obligations Payments as a limited obligation of the Qualified Entity. The Qualified Entity covenants to take certain actions necessary to cause interest on the Qualified Obligations to be and remain excluded from gross income for federal income tax purposes. See Appendix C for the Summary of the Authorizing Instrument.

The Qualified Obligations are payable solely from and subject to annual appropriations from the City Cumulative Capital Development Fund, the County Cumulative Capital Development Fund (the City Cumulative Capital Development Fund and the County Cumulative Development Fund are herein referred to together as the "Cumulative Capital Funds"). Amounts may be appropriated annually from the Cumulative Capital Funds and the County Cumulative Capital Development Fund pursuant to the City's budget process.

The Budget Process

Beginning in May, the Department Directors along with the offices of the Mayor and the City Controller develop budgets for the next calendar year for divisions within their departments. State statute and an ordinance of the City-County Council of the City of Indianapolis and Marion County, Indiana (the "Council") require the City to adopt annual balanced budgets for, among other funds, the City Cumulative Capital Development Fund and the County Cumulative Capital Development Fund. The budgeting process requires that the revenues plus fund balance must equal or exceed appropriations. Annual appropriations from these funds are then made utilizing the major classifications established by the Governmental Accounting Standards Board.

In July, the City Controller prepares budget ordinances which are introduced by the Mayor to the Council at the first meeting in August. The City Controller adds the cash and investment balance in each fund on June 30 of each year to the revenues estimated to be deposited into each fund during the last six months of each year; this amount is reduced by the remaining appropriations and anticipated additional appropriations to arrive at a December 31 projected budgetary fund balance for the current year. This balance along with the estimated miscellaneous revenues is reduced by the budgeted appropriations to arrive at the amount to be funded by property taxes. This

amount must be less than the maximum levy unless an appeal to exceed such maximum levy is granted by the DLGF. Favorable or unfavorable results are absorbed into the next year's budget.

These ordinances are assigned to the appropriate committee of the Council which conducts public hearings during August and September. Prior to the last Council meeting in September, the budget levy is advertised twice in two newspapers. The Council may not pass a budget above the levy advertised.

The DLGF reviews the budget before certifying the levy; a levy above the limits may be granted if the excess levy meets the state law requirements. The DLGF is required to certify the levies, tax rates and budgets by February 15.

Cumulative Capital Funds

The Cumulative Capital Funds account is for the construction, acquisition or maintenance of major fixed assets. Annual appropriations may be made from the Cumulative Capital Funds, in accordance with the budget process, in order to repay the Qualified Obligations issued to pay the costs of the Project. The Commission has covenanted in the Authorizing Instrument that during each year that any of the Qualified Obligations are outstanding, the Commission shall include within the Commission's current budget an appropriation of the moneys in the Cumulative Capital Funds for the purpose of paying, and in an amount which is sufficient to pay, all principal of, and interest on, the Qualified Obligations in such year. The Cumulative Capital Funds are supported by property tax levies established and collected pursuant to Indiana law. See the heading "Procedures for Property Assessment, Tax Levy and Collection" under this caption.

City Cumulative Capital Development Fund. The City Cumulative Capital Development Fund was established pursuant to I.C. 36-9-15.5. The City Cumulative Capital Development Fund represents all resources accumulating from a citywide ad valorem property tax levy. Set forth below is a table of historical budgets and actual funds received in the City Cumulative Capital Development Fund.

YEAR	BUDGET	ACTUAL	VARIANCE	V%
2003	\$12,011,191	-----	-----	-----
2002	\$11,451,989	-----	-----	-----
2001	\$1,129,818,000	\$11,663,149	\$364,969	103%
2000	\$13,348,890	\$10,679,742	\$(2,669,148)	80%
1999	\$13,151,616	\$13,473,731	\$322,115	102%
1998	\$13,615,683	\$13,067,665	\$(548,018)	96%
1997	\$13,139,711	\$12,415,323	\$(724,388)	94%

1996	\$12,633,847	\$12,727,190	\$93,343	101%
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County Cumulative Capital Development Fund. The County Cumulative Capital Development Fund was established pursuant to I.C. 36-9-14.5. The County Cumulative Development Fund represents all resources accumulating from a countywide ad valorem property tax levy. Marion County then disburses 45% of the proceeds derived from this property tax to the City. Set forth below is a table of historical budgets and actual funds received in the County Cumulative Capital Development Fund.

YEAR	BUDGET	ACTUAL	VARIANCE	V%
2003	\$4,375,000	-----	-----	----
2002	\$4,257,759	-----	-----	----
2001	\$4,149,451	\$4,209,581	\$60,130	101%
2000	\$4,340,130	\$4,202,298	(\$137,832)	97%
1999	\$4,401,000	\$4,233,641	(\$167,359)	96%
1998	\$4,242,742	\$4,177,349	(\$65,393)	98%
1997	\$4,032,451	\$4,037,861	\$5,410	100%
1996	\$4,806,653	\$4,027,128	(\$779,525)	84%

While the Cumulative Capital Funds are a source of payment for the Bonds, subject to appropriation, they are also the source of payment for other bonds currently outstanding and may be the source of payment for other bonds issued in the future. Accordingly there can be no representation that moneys in the Cumulative Capital Funds will be sufficient to pay principal and interest on the Bonds,

Procedures for Property Tax Assessment, Tax Levy and Collection

The Cumulative Capital Funds represent resources collected from ad valorem property taxes levied and collected pursuant to Indiana law. Real and personal property in the State is assessed each year as of March 1. On or before August 1 each year, the County Auditor must submit to each underlying unit a statement of (i) the estimated assessed value of the unit as of March 1 of that year, and (ii) an estimate of the taxes to be distributed to the unit during the last six months of the current budget year. The estimated value is based on abstracts delivered to the Auditor by the township assessor or its designee on or before July 15.

The estimated value is used when the governing body of a local taxing unit meets to establish its budget for the next fiscal year (January 1 through December 31), and to set tax rates and levies. By statute, the budget, tax rate and levy must be established no later than the last Monday in

September. The budget, tax levy and tax rate are subject to review and revision by the DLGF (the "DLGF") which can lower, but not raise, the tax levy or tax rate unless the levy proposed by the Qualified Entity is not sufficient to make its Qualified Obligation Payments. The DLGF must complete its action on or before February 15.

On or before March 31, the County Auditor prepares and delivers the final abstract of property taxes to the State Auditor. The County Treasurer mails tax statements the following April (but mailing may be delayed due to reassessment or other factors). Property taxes are due and payable to the County Treasurer in two installments on May 10 and November 10. If an installment of taxes is not completely paid on or before the due date, a penalty of 10% of the amount delinquent is added to the amount due. On May 10 and November 10 of each year thereafter, an additional penalty equal to 10% of any taxes remaining unpaid is added. The penalties are imposed only on the principal amount of the delinquency. Property becomes subject to tax sale procedures after 15 months of delinquency. The County Auditor distributes property taxes collected to the various taxing units on or about the June 18th or December 18th after the due date of the tax payment.

Pursuant to State law, real property is valued for assessment purposes at its "true tax value" as defined in the 2002 Real Property Assessment Manual adopted by the DLGF (the "Manual"), and as interpreted in the rules and regulations of the DLGF, including the 2002 Real Property Assessment Guidelines, Version A (the "Guidelines") and the Real Property Assessment Rule, 50 IAC 2.3. The Manual defines "true tax value" as "the market value in use of property for its current use, as reflected by the utility received by the owner or a similar user from that property." The Manual permits assessing officials in each county to choose any acceptable mass appraisal method to determine true tax value, taking into consideration the ease of administration and the uniformity of the assessments produced by that method. The Guidelines were adopted to provide assessing officials with an acceptable appraisal methodology, although the Manual makes it clear that assessing officials are free to select from any number of appraisal methods, provided that they are capable of producing accurate and uniform values throughout the jurisdiction and across all classes of property. The Manual specifies the standards for accuracy and validation that the DLGF will use to determine the acceptability of any alternate appraisal method.

"Net Assessed Value" or "Taxable Value" represents the "Gross Assessed Value" less certain deductions for mortgages, veterans, the aged, the blind, economic revitalization, resource recovery systems, rehabilitated residential property, solar energy systems, wind power devices, coal conservation systems, hydroelectric systems, geothermal devices, and tax-exempt property. The "Net Assessed Value" or "Taxable Value" is the value used for taxing purposes in the determination of tax rates.

IC 6-1.1-21-5 provides each taxpayer with a property tax credit in an amount equal to sum of the following: (a) sixty percent (60%) of a taxpayer's tax liability in a calendar year for taxes imposed by a school corporation for its general fund for a stated assessment year on all real and personal property; (b) approximately twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on real property; (c) and approximately twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a

total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on tangible personal property other than business personal property.

On December 4, 1998, the Indiana Supreme Court affirmed in part and reversed in part a ruling by the Indiana Tax Court that the true tax value method of valuing property for purposes of levying property taxes is unconstitutional. *Town of St. John v. State Board of Tax Commissioners*, 702 N.E.2d 1034 (Ind. 1998). The Indiana Supreme Court ruled that the true tax value method is constitutional but the cost schedules used by the State Board of Tax Commissioners (now the DLGF) were unconstitutional. This ruling affects only the valuation method and not the ability of the City or the County to levy and collect the Cumulative Capital Funds. On May 31, 2000, the Indiana Tax Court ordered the State Board of Tax Commissioners (now the DLGF) to adopt the new assessment regulations by June 1, 2001 and to complete reassessment under those regulations by March 1, 2002. The State Board of Tax Commissioners (now the DLGF) published the new assessment rules, which were effective June 22, 2001 and reassessment is now under way. Neither the City, the County nor the Commission can predict the impact on property tax collections, or the timing of, future judicial actions in this case, or legislation, regulations or rulings enacted to implement this ruling or property tax reform in general.

The Project

The Qualified Obligations are being issued principally to construct roads, sidewalks, water and sewer utilities and a retention pond in the Martindale-Brightwood Industrial Development Area.

Additional Bonds

Additional bonds of the Bond Bank may be issued on a parity with the Bonds pursuant to the Indenture only for the purpose of (a) refunding (in whole or in part) Bonds issued by the Bond Bank pursuant to the Indenture or (b) purchasing additional qualified obligations of the Qualified Entity ("Refunding Qualified Obligations") to provide for the refunding (in whole or in part) of the Qualified Obligations or another Refunding Qualified Obligation, or both.

Enforcement of the Qualified Obligations

As owner of the Qualified Obligations, the Bond Bank has available to it all remedies available to owners or holders of securities issued by qualified entities. The Act provides that upon the sale and the delivery of any qualified obligation to the Bond Bank, a qualified entity will be deemed to have agreed that all statutory defenses to nonpayment are waived in the event that such qualified entity fails to pay principal of or interest on such qualified obligation when due.

The Bond Bank will be constituted a holder or owner of securities that are in default. The Bond Bank is obligated under the Indenture to avail itself of all remedies and provisions of law applicable in the circumstances and the failure to exercise any right or remedy within a time or period provided by law may not, according to the Act, be raised as a defense by the defaulting qualified entity.

Further, the Qualified Entity has agreed under its Purchase Agreement for its Qualified Obligations to report to the Bond Bank on its compliance with the certain covenants which the

Qualified Entity has made regarding various actions and conditions necessary to preserve the tax-exempt status of interest paid on the Qualified Obligations. See the caption "TAX MATTERS." The Bond Bank has also determined to consult with the Qualified Entity, as necessary from time to time, with regard to the action needed to be taken by the Qualified Entity to preserve the exclusion of the interest on the Bonds from the Gross income of the holders of the Bonds.

The Bond Bank will monitor the compliance and consult regularly with the Qualified Entity with respect to its requirements under the Qualified Obligations, including the making of Qualified Obligations Payments to the Bond Bank.

FINANCING PLAN

The Bonds and the Qualified Obligations

The proceeds from the sale of the Bonds will be used to provide funds for the purposes of: (i) purchasing the Qualified Obligations to be issued by the Qualified Entity; (ii) paying costs of issuance of the Bonds; (iii) paying for certain expenses of the Bond Bank attributable to its program for the purchase of qualified obligations pursuant to the Act which are incurred in carrying out and administering such program pursuant to the Indenture; and (iv) funding the Debt Service Reserve Fund, as defined in the Indenture, which will be held by the Trustee as security for the Bonds and the Qualified Obligations.

Sources of Funds

The proceeds of the sale of the Bonds, excluding accrued interest, are expected to be applied as follows:

Purchase of Qualified Obligations.....	3,740,000.00
Reoffering Premium.....	18,720.40
TOTAL SOURCES.....	3,758,720.40

Uses of Funds

Total Underwriter’s Discount (1.650%).....	61,710.00
Costs of Issuance.....	194,859.36
Deposit to the Debt Service Reserve Fund (DSRF).....	252,028.75
Deposit to Capitalized Interest (CIF) Fund.....	24,122.29
Deposit to Project Construction Fund.....	3,226,000.00
TOTAL USES	3,758,720.40

THE BOND BANK

The Bond Bank is governed by a five (5) member board of directors appointed by the Mayor of the City. The directors appoint an executive director who serves as secretary-treasurer of the board. The directors each serve for terms of three (3) years and may be reappointed. No director may be an officer of the City, the County or any other qualified entity. The current members of the board of directors, their positions and their principal occupations are as follows:

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>	<u>Occupation</u>
John J. Dillon III	Chairman	December 31, 2002	Business Executive
Mary Titsworth Chandler	Vice Chairman	April 30, 2003	Attorney, Private Practice
Jacob E. Hall	Member	April 30, 2003	Engineer
Thomas J. O'Donnell	Member	April 30, 2003	Business Manager of International Brotherhood of Electrical Workers
Arnold Pinkston	Member	April 30, 2003	Deputy General Counsel, Eli Lilly & Company

Robert J. Clifford was appointed the Executive Director of the Bond Bank on March 20, 2000. Mr. Clifford previously served as Vice President of Finance, Accounting and Marketing of the Indiana Municipal Power Agency. He received a B.S. and M.B.A. from Indiana University and is a Certified Public Accountant.

Jennifer Weflen was appointed to the staff of the Bond Bank in January 2002 and now serves as Deputy Executive Director. Prior to this appointment, Ms. Weflen served as Assistant Corporation Counsel to the City. She received a B.A. from DePau University and a J.D. from Indiana University.

Other Programs; Outstanding Indebtedness

Under the Act, the Bond Bank is authorized to issue other notes or bonds to finance different programs to accomplish its purposes. Under separate trust indentures and other instruments authorized under the Act, the Bond Bank has previously issued and had outstanding as of October 1, 2002, approximately \$1,684,566,152 in aggregate principal amount of in separate program obligations. Certain of the foregoing obligations of the Bond Bank may mature or otherwise be defeased as of or prior to the issuance of the Bonds. All such obligations are and will be secured

separately and independently and do not and will not constitute Bonds under the Indenture or for purposes of this Official Statement.

Further, as of the date of this Official Statement, the Bond Bank is considering undertaking other types of financings for qualified entities for purposes authorized by and in accordance with the procedures set forth in the Act. The obligations issued by the Bond Bank in connection with any and all such financings, if any, will be secured separately from the Bonds and will not constitute Bonds under the Indenture or for purposes of this Official Statement.

The Bond Bank is a body corporate and politic separate from the City. The address of the Bond Bank is Suite 2421, City-County Building, 200 East Washington Street, Indianapolis, Indiana 46204. The Bond Bank was created by the Act for the purpose of buying and selling securities of certain qualified entities, including the City, the County, all special taxing districts of the City, all entities whose tax levies are subject to review and modification by the Council and certain authorities or entities that lease land or facilities to other qualified entities. The Bond Bank was created pursuant to the Act to help the qualified entities lower their respective borrowing costs by having the Bond Bank purchase their debt obligations at interest rates favorable to the qualified entities. To accomplish its purpose, the Bond Bank may issue bonds or notes. The Bond Bank also has general powers, which include the power to enter into, make and perform contracts of every lawful kind to accomplish its purpose.

THE QUALIFIED ENTITY

Governance

The Commission is the governing body of the Redevelopment District established and existing pursuant to I.C. 36-7-15.1, as amended, and which has responsibility for the clearance, replanning and redevelopment of blighted, deteriorated and deteriorating areas within its boundaries, which are coterminous with the boundaries of the County, but excluding the municipalities of Beech Grove, Lawrence, Southport and Speedway. There are nine members on the Commission. Four members of the Commission are appointed by the Mayor, two members are appointed by the County Commissioners and three members are appointed by the Council.

Metropolitan Development Commission

<u>Name</u>	<u>Appointed By</u>
Mr. Randolph L. Snyder	City-County Council
Ms. Sylvia Trotter, Vice-President	Mayor
Mr. Harold Anderson	Mayor
Mr. James J. Curtis, Sr., Secretary	County Commissioners
Mr. Gene Hendricks	City-County Council
Mr. Lee Marble	Mayor
Mr. Brian Murphy	City County Council

Mr. Robert J. Smith

County Commissioners

Mr. Ed Treacy

Mayor

Financing Plan

A portion of the proceeds of the Bonds will be used to purchase the City of Indianapolis, Indiana, Redevelopment District Annual Appropriation Revenue Bonds, Series 2002 (the "Qualified Obligations"), the proceeds of which will be used to undertake several redevelopment projects within the Redevelopment District.

Qualified Obligations of the Redevelopment District

The Qualified Obligations have been authorized by the Commission and the Council by their respective Authorizing Instruments. The Qualified Obligations are limited obligations of the Redevelopment District, solely payable out of and subject to annual appropriations from the Cumulative Capital Funds.

Outstanding Bonded Indebtedness

As of the date of the delivery of the Qualified Obligation Bonds, the Redevelopment District has \$965,483,675.92 in aggregate principal amount of special taxing district bonds outstanding (excluding unpaid, matured bonds for which funds are on deposit to pay such bonds upon presentment, but including the Qualified Obligations), which are payable from ad valorem property taxes.

The Commission may issue additional bonds to finance or refinance projects in furtherance of its purpose. However, the amount and timing of the issuance of any such additional bonds are subject to a number of conditions that cannot be predicted at the present time.

Certain Financial and Demographic Information

The Redevelopment District is included within the Comprehensive Annual Financial Report of the City for the year ended December 31, 2001, attached as Appendix D. The Redevelopment District does not prepare separate financial statements.

THE CITY OF INDIANAPOLIS AND MARION COUNTY

The City is a municipal corporation located in the County. It is the largest city in the State and the twelfth largest city in the United States. In 1970, the governments of the City and the County were consolidated to form the State's only consolidated city, which provides services generally throughout the County in which the City is located. By the consolidating act, the boundaries of the City were extended to the County line with the exception of the municipalities of Beech Grove, Lawrence, Speedway and Southport.

The executive of the City is the Mayor who is elected by all the voters of the County. The Mayor, who may serve an unlimited number of four-year terms, has extensive appointive powers and also serves as chief executive officer of the County. The executive authority is administered through six departments: Administration, Metropolitan Development, Parks and Recreation, Capital Asset Management, Public Safety and Public Works.

The legislative body of the City is the Council. The Council approves the annual budget and tax levies for the City, the Qualified Entity and the special taxing districts of the City and the County. It is also empowered to review and modify the budgets and tax levies of certain other entities in the County.

The Indianapolis Metropolitan Statistical Area ("MSA"), which currently includes the counties of Marion, Boone, Hamilton, Hancock, Hendricks, Johnson, Madison, Morgan and Shelby is located at the geographic center of the State. There are more interstate freeways (I-65, I-69, I-70 and I-74) passing through the City than through any other city in the nation. In addition, six other major U.S. highways, all interconnected by an outer beltway (I-465), provide the Indianapolis MSA with routes for transportation and distribution in all directions. In 1999 the United States Census Bureau estimated the population of the Indianapolis MSA at 1,536,065. This represents growth of 11.1% since 1990. The Indianapolis MSA is the 29th largest metropolitan area in the United States, while the City of Indianapolis is the twelfth largest city with a population of 719,926. The economy of the Indianapolis MSA continues to be strong: per capita income was \$26,662 in 1997, nearly 10.0% higher than the U.S. average, while the rate of unemployment remained under 4% from 1995 through 1999. The economy of the Indianapolis MSA is increasingly diversified, with the industry distribution of employment similar to that of the nation as a whole.

LITIGATION

There is not now pending or, to the Bond Bank's or Qualified Entity's respective knowledge, threatened any litigation restraining or enjoining the issuance, sale, execution or delivery of the Bonds or the Qualified Obligations, or the execution and delivery of, and performance by the respective parties to, the Authorizing Instrument; prohibiting the Bond Bank from purchasing the Qualified Obligations with the proceeds of the Bonds; in any way contesting or affecting the validity of the Bonds or the Qualified Obligations or any proceedings of the Bond Bank taken with respect to the issuance or sale thereof, or the Pledges (as hereinafter defined under the caption "ENFORCEABILITY OF REMEDIES") or application of any moneys or security provided for payment of the Bonds or the Qualified Obligations. Neither the creation, organization or existence of the Bond Bank or the Qualified Entity nor the title of any of the present directors or other officers of the Bond Bank or Qualified Entity to their respective offices is being contested.

TAX MATTERS

In the opinion of Ice Miller, Indianapolis, Indiana, Bond Counsel, under existing laws, regulations, judicial decisions and rulings interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. The opinion of Ice Miller relates only to the exclusion from gross income of interest on the Bonds for federal income tax purposes under Section 103 of the Code and is conditioned on continuing compliance by the Bond Bank and the

Qualified Entity with the Tax Covenants (hereinafter defined). Failure to comply with the Tax Covenants could cause interest on the Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to the date of issue. In the opinion of Ice Miller, Indianapolis, Indiana, Bond Counsel, under existing laws, interest on the Bonds is exempt from income taxation in the State of Indiana for all purposes. This opinion relates only to the exemption of interest on the Bonds for State of Indiana Income tax purpose. See Appendix A for the form of Bond Counsel opinion.

The Code imposes certain requirements which must be met subsequent to the issuance of the Bonds as a condition to the exclusion from gross income of interest on the Bonds for federal income tax purposes. The Bond Bank and the Qualified Entity will covenant not to take any action, within its power and control, nor fail to take any action with respect to the Bonds that would result in the loss of exclusion from gross income for federal income tax purposes of interest on the Bonds pursuant to Section 103 of the Code (collectively, "Tax Covenants"). The Indenture, the Authorizing Instrument and certain certificates and agreements to be delivered on the date of delivery of the Bonds establish procedures to permit compliance with the requirements of the Code. It is not an event of default if interest on the Bonds is not excludable from gross income for federal income tax purposes pursuant to any provision of the Code which is not in effect on the date of issuance of the Bonds.

The interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. However, interest on the Bonds is included in adjusted current earnings in calculating corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax.

I.C. 6-5.5 imposes a franchise tax on certain taxpayers (as defined in IC 6-5.5) which, in general, includes all corporations which are transacting the business of a financial institution in Indiana. The franchise tax is measured in part by interest excluded from gross income under Section 103 of the Code minus associated expenses disallowed under Section 265 of the Code.

Although Bond Counsel will render an opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and exempt from State income tax, the accrual or receipt of interest on the Bonds may otherwise affect an owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the owner's particular tax status and the owner's other items of income or deduction. Taxpayers who may be affected by such other tax consequences include, without limitation, financial institutions, certain insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or railroad retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Bonds. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the Bonds should consult their own tax advisors with respect to such other tax consequences of owning the Bonds other than those consequences set forth in the form of opinion of Bond Counsel. See Appendix A.

ORIGINAL ISSUE DISCOUNT

The initial price of the Bonds maturing on (collectively, the "Discount Bonds"), is less than the principal amount payable at maturity. As a result, the Discount Bonds will be considered to be issued with original issue discount. The difference between the initial private placement price of the Discount Bonds, as set forth on the inside cover page of this Official Statement (assuming it is the first price at which a substantial amount of that maturity is sold) (the "Issue Price" for such maturity), and the amount payable at maturity of the Discount Bonds, will be treated as "original issue discount." The original issue discount on each of the Discount Bonds is treated as accruing daily over the term of such Bond on the basis of the yield to maturity determined on the basis of compounding at the end of each six-month period (or shorter period from the date of the original issue) ending on and (with straight line interpolation between compounding dates). An owner who purchases a Discount Bond in the initial private placement at the Issue Price for such maturity will treat the accrued amount of original issue discount as interest which is excludable from the gross income of the owner of that Discount Bond for federal income tax purposes.

Section 1288 of the Code provides, with respect to tax-exempt obligations such as the Discount Bonds, that the amount of original issue discount accruing each period will be added to the owner's tax basis for the Discount Bonds. Such adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale, redemption or payment at maturity). Owners of Discount Bonds who dispose of Discount Bonds prior to maturity should consult their tax advisors concerning the amount of original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or other disposition of such Discount Bonds prior to maturity.

The original issue discount that accrues in each year to an owner of a Discount Bond may result in certain collateral federal income tax consequences. Owners of any Discount Bonds should be aware that the accrual of original issue discount in each year may result in a tax liability from these collateral tax consequences even though the owners of such Discount Bonds will not receive a corresponding cash payment until a later year.

Owners who purchase Discount Bonds in the initial private placement but at a price different from the Issue Price for such maturity should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of subsequent purchasers of bonds such as the Discount Bonds. Owners who do not purchase Discount Bonds in the initial private placement should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

Owners of Discount Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discount Bonds. It is possible under the applicable provisions governing the determination of state or local income taxes that accrued interest on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year.

AMORTIZABLE BOND PREMIUM

The initial prices of the Bonds maturing on, through and including (collectively, the "Premium Bonds"), are greater than the principal amount payable at maturity or earlier call date. As a result, the Premium Bonds will be considered to be issued with amortizable bond premium (the "Bond Premium"). An owner who acquires a Premium Bond in the initial private placement will be required to adjust the owner's basis in the Premium Bond downward as a result of the amortization of the Bond Premium, pursuant to Section 1016(a)(5) of the Code. Such adjusted tax basis will be used to determine taxable gain or loss upon the disposition of the Premium Bonds (including sale, redemption or payment at maturity). The amount of amortizable Bond Premium will be computed on the basis of the taxpayer's yield to maturity, with compounding at the end of each accrual period. Rules of determining (i) the amount of amortizable Bond Premium and (ii) the amount amortizable in a particular year are set forth at Section 171 (b) of the Code. No income tax deduction for the amount of amortizable Bond Premium will be allowed pursuant to Section 171(a)(2) of the Code. The amortization of Bond Premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining other tax consequences of owning the Premium Bonds. Owners of the Premium Bonds should consult their tax advisors with respect to the precise determination for federal income tax purposes of the treatment of Bond Premium upon the sale or other disposition of such Premium Bonds and with respect to the state and local tax consequences of owning and disposing of the Premium Bonds.

Special rules governing the treatment of Bond Premium, which are applicable to dealers in tax-exempt securities, are found at Section 75 of the Code. Dealers in tax-exempt securities are urged to consult their own tax advisors concerning the treatment of Bond Premium.

ENFORCEABILITY OF REMEDIES

The various legal opinions to be delivered concurrently with the Bonds express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of a professional judgment, of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

The remedies available to the Trustee or the holders of the Bonds upon a default under the Indenture; to the Trustee or the Bond Bank under the Qualified Obligations, the purchase agreement for the Qualified Obligations and the Authorizing Instrument; or to any party seeking to enforce the pledges securing the Bonds or the Qualified Obligations described herein (collectively, the "Pledges"), are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the United States Bankruptcy Code), the remedies provided (or which may be provided) in the Indenture, the purchase agreement for the Qualified Obligations, the Qualified Obligations and the Authorizing Instrument, or to any party seeking to enforce the Pledges may not be readily available or may be limited. Under Federal and State environmental laws certain liens may be imposed on property of the Bond Bank or the

Qualified Entity from time to time, but the Bond Bank has no reason to believe, under existing law, that any such lien would have priority over the lien on the Qualified Obligation Payments pledged to owners of the Bonds under the Indenture or over the liens pledged to the owner of the Qualified Obligations under the Authorizing Instrument.

The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and by public policy. These exceptions would encompass any exercise of the Federal, State or local police powers (including the police powers of the City and the County) in a manner consistent with the public health and welfare. Enforceability of the Indenture, the purchase agreement for the Qualified Obligations, the Authorizing Instrument and the Pledges in a situation where such enforcement may adversely affect public health and welfare may be subject to these police powers.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters incident to the authorization, issuance, sale and delivery of the Bonds are subject to the approval of Ice Miller, Indianapolis, Indiana, Bond Counsel, whose approving legal opinion will be delivered with the Bonds, substantially in the form annexed hereto as Appendix A. Certain legal matters will be passed on by the Corporation Counsel of the City of Indianapolis, Indiana, as General Counsel to the Bond Bank, and the Qualified Entity and by Stewart & Irwin, P.C. Indianapolis, Indiana, counsel for the Underwriter.

RATINGS

The Bonds have been rated AA+ by Standard & Poor's Ratings Group, a division of McGraw-Hill ("S&P"). This rating reflects only the views of S&P. The rating is not a recommendation to buy, sell or hold the Bonds. The rating only reflects the views of S&P and any desired explanation of the significance of the rating should be obtained from S&P at the following address: Standard & Poor's Corporation, 25 Broadway, New York, New York. There is no assurance that the rating will remain in effect for any given period of time or that the rating will not be lowered or withdrawn entirely by S&P if, in its judgment, circumstances so require. The Underwriter has undertaken no responsibility either to bring to the attention of the owners of the Bonds any proposed revision or withdrawal of the rating or to oppose any such proposed revision or withdrawal. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price or marketability of the Bonds.

THE BONDS AS LEGAL INVESTMENTS

Pursuant to the Act, all Indiana financial institutions, investment companies, insurance companies, insurance associations, executors, administrators, guardians, trustees, and other fiduciaries may legally invest sinking funds, money, or other funds belonging to them or within their control in bonds or notes issued by the Bond Bank.

AGREEMENT WITH STATE

The Act provides that the State will not limit or restrict the rights vested in the Bond Bank to fulfill the terms of any agreement made with the owners of the Bonds or in any way impair the rights or remedies of the owners of the Bonds for so long as the Bonds are outstanding.

CONTINUING DISCLOSURE

Pursuant to continuing disclosure requirements promulgated by the Securities and Exchange Commission in SEC Rule 15c2-12, as amended (the “SEC Rule”), the Qualified Entity will deliver a Continuing Disclosure Undertaking Agreement (the “Undertaking”) with the Trustee (“Counterparty”), to be dated the date of delivery of the Bonds. The Qualified Entity is the only obligor under the SEC Rule. Pursuant to the terms of the Undertaking, the Qualified Entity will agree to provide the following information while any of the Bonds are outstanding:

- Audited Financial Statements. To the Bond Bank, the Counterparty, each nationally recognized municipal securities information repository (“NRMSIR”) then in existence and to the Indiana state information depository then in existence, if any (“SID”), when and if available, the audited comprehensive annual financial report of the Qualified Entity for each 12 month period ending December 31st, beginning with the twelve 12 month period ending December 31, 2002, together with the opinion of such accountants and all notes thereto, within sixty days of receipt from the certified public accountants; and
- Financial Information in this Official Statement. To the Bond Bank, the Counterparty, each NRMSIR then in existence and to the SID, if any, within 210 days of each December 31st, beginning with the calendar year ending December 31, 2002, unaudited financial information for the Qualified Entity for such calendar year including unaudited financial information of the Qualified Entity if audited financial statements are not available.

Event Notices. In a timely manner, to the Bond Bank, to each NRMSIR or the Municipal Securities Rulemaking Board (MSRB), and to the SID notice of certain events listed in the Rule, if material with respect to the Bonds (which determination of materiality shall be made by the Qualified Entity in Accordance with the standards established by federal securities laws).
- Failure to Disclose. In a timely manner, to the Bond Bank, each NRMSIR or the MSB, and to the SID, if any, notice of the Qualified Entity failing to provide the audited financial statements or Annual Information as described earlier.

The Qualified Entity and the Counterparty may, from time to time, amend or modify the Undertaking without the consent or notice of the owners of the Bonds if either (a)(i) such amendment or modification is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the

Qualified Entity, or type of business conducted; (ii) the Undertaking, as so amended or modified, would have complied with the requirements of the SEC Rule on the date of execution of the Undertaking, after taking into account any amendments or interpretations of the SEC Rule, as well as any change in circumstances; and (iii) such amendment or modification does not materially impair the interests of the holders of the Bonds, as determined either by (A) the Counterparty, the Trustee under the Indenture or nationally recognized bond counsel or (B) an approving vote of the holders of the Bonds pursuant to the terms of the Indenture at the time of such amendment or modification; or (C) such amendment or modification (including an amendment which rescinds the Undertaking) is permitted by the SEC Rule, as then in effect.

The Qualified Entity and Counterparty may, at its sole discretion, use an agent in connection with the dissemination of any annual financial information required to be provided by the Qualified Entity pursuant to the terms of the Undertaking.

The purpose of the Undertaking is to enable to the Underwriters to purchase the Bonds by providing for an undertaking by the Qualified Entity in satisfaction of the SEC Rule. The Undertaking is solely for the benefit of the owners of the Bonds and creates no new contractual or other rights for, nor can it be relied upon by, the SEC, underwriters, brokers, dealers, municipal securities dealers, potential customers, other obligated persons or any other third party. The sole remedy against the Qualified Entity for any failure to carry out any provision of the Undertaking shall be for specific performance of the Qualified Entity's disclosure obligations under the Undertaking and not for money damages of any kind or in any amount or any other remedy. The Qualified Entity's failure to honor its covenants under the Undertaking shall not constitute a breach or default of the Bonds, the Indenture, the Qualified Obligations, the Authorizing Instrument or any other agreement to which the Qualified Entity or Bond Bank is a party.

MISCELLANEOUS

The references, excerpts, and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is made to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds and the rights of the owners thereof. During the period of the offering, copies of drafts of such documents may be examined at the offices of the Underwriter; following delivery of the Bonds, copies of such documents may be examined at the offices of the Bond Bank.

The information contained in this Official Statement has been compiled from official and other sources deemed to be reliable, and while not Guaranteed as to completeness or accuracy, is believed to be correct as of this date.

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Any statements made in this Official Statement involving matters of opinions or estimates whether or not expressly so stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the information presented herein since the date hereof. This Official Statement is submitted in connection with the issuance and sale of the Bonds and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract or agreement between the Bond Bank, the City, the County, the Qualified Entity, the Trustee, the Registrar and Paying Agent or the Underwriter and the purchasers or owners of any Bonds. The delivery of this Official Statement has been duly authorized by the Board of Directors of the Bond Bank.

**THE INDIANAPOLIS LOCAL PUBLIC
IMPROVEMENT BOND BANK**

By: John J. Dillon III, Chairman

APPENDIX A

Bond Counsel's Approving Opinion

Upon delivery of the Bonds in definitive form, Ice Miller, Bond Counsel, proposes to render the following opinion with respect to the Bonds substantially in the form set forth below

_____, 2002

The Indianapolis Local Public Improvement Bond Bank
Indianapolis, Indiana

Re: The Indianapolis Local Public Improvement Bond Bank
Bonds, Series 2002E ("Bonds")
Total Issue: \$ _____
Dated: _____, 2002

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by The Indianapolis Local Public Improvement Bond Bank ("Issuer") of \$ _____ of its Bonds, dated _____, 2002 ("Bonds"), pursuant to a Trust Indenture, dated as of _____ 1, 2002 between the Issuer and _____, as Trustee (the "Trustee"). We have examined the law and the certified transcript of proceedings of the Issuer had relative to the authorization, issuance and sale of the Bonds and such other papers as we deem necessary to render this opinion. We have relied upon the certified transcript of proceedings and certificates of public officials and have not undertaken to verify any facts by independent investigation.

Based upon our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds are the valid and binding limited obligations of the Issuer enforceable in accordance with the terms and provisions thereof, together with any additional bonds on a party therewith hereafter issued, will be secured by a pledge of and payable solely from the Trust Estate (as defined in the Indenture), which includes payments received on the City of Indianapolis, Indiana ("City") Redevelopment District Annual Appropriation Revenue Bonds of 2002 ("Qualified Obligations") pledged to the Bonds.

2. Under statutes, decisions, regulations and rulings existing on this date, interest on the Bonds is exempt from income taxation in the State of Indiana ("State"). This opinion relates only to the exemption of interest on the Bonds from State income taxes.

3. Under federal statutes, decisions, regulations and rulings existing on this date, interest on the Bonds is excludable from gross income for purposes of federal income taxation under Section 103 of the Internal Revenue Code of 1986, as amended (“Code”). This opinion relates only to the exclusion from gross income of interest on the Bonds for federal income tax purposes under Section 103 of the Code and is conditioned on continuing compliance with tax representations and covenants made in the Indenture, in the resolution adopted on October 2, 2002, by the Metropolitan Development Commission of Marion County, Indiana, acting as the Redevelopment Commission of the City, pursuant to which the Qualified Obligations were authorized and in certificates of the Issuer and the City (collectively, “Tax Representations”). Failure to comply with the Tax Representations could cause interest on the Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to their date of issue.

We have not been engaged nor have we undertaken to review the accuracy, completeness or sufficiency of any offering material relating to the Bonds and we express no opinion thereon.

It is to be understood that the rights of the owners of the Bonds and the enforceability thereof and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity. It is to be understood that the rights of the owners of the Bonds and the enforceability thereof and of the Indenture may be subject to the valid exercise of the constitutional powers of the Issuer, the City, Marion County, the State and the United States of America.

Very truly yours,

APPENDIX B
Summary of Certain Provisions of the Indenture

The following is a summary of certain provisions of the Trust Indenture between The Indianapolis Local Public Improvement Bond Bank ("Bond Bank") and _____, as trustee ("Trustee"), dated as of _____, 2002 ("Indenture"). This summary does not purport to be complete and is subject in all respects to the provisions of, and is qualified in its entirety by reference to, the Indenture. Certain capitalized terms used in this summary are defined at the end of this Appendix B

INDENTURE

The Bond Bank will issue its Bond Bank Bonds, Series 2002E ("Series 2002 E Bonds"), pursuant to the Indenture.

Security for Bonds

To secure the payment of the principal of, premium, if any, and interest on the outstanding Series 2002 E Bonds and any Additional Bonds (the Series 2002 E Bonds and any Additional Bonds are hereinafter collectively referred to as the "Bonds"), and the performance of the covenants contained in the Bonds and the Indenture, the Bond Bank, grants to the Trustee a security interest in the following property ("Trust Estate"):

- (i) All cash and securities held for the credit of the Funds and Accounts created or established under the Indenture, the Investment Earnings thereon and all the proceeds thereof (except the Rebate Fund under the Indenture); and
- (ii) All Qualified Obligations acquired and held pursuant to the Indenture and the earnings thereon and all proceeds thereof (including all Qualified Obligation Payments); and
- (iii) All Revenues and any moneys hereinafter pledged as security by the Bond Bank.

The Trust Estate is to be held by the Trustee for the equal and proportionate benefit and security and protection of the owners from time to time of all the outstanding Bonds without any priority of any such Bond over any other such Bond, except as otherwise expressly provided in the Indenture.

Accounts

Creation of Funds and Accounts. Under the Indenture, the Bond Bank creates and establishes the following Funds: (1) the General Fund; (2) a Debt Service Reserve Fund; and (3) the Rebate Fund. There is hereby created and established in the General Fund a "General Account," a "Bond Issuance Expense Account" and a "Redemption Account".

All such Funds and Accounts will be held and maintained by the Trustee. All moneys or securities held by the Trustee pursuant to the Indenture will be held in trust and applied only in accordance with the provisions of the Indenture. The Bond Bank and the Trustee may establish such additional Funds, Accounts or subaccounts as they may in their discretion determine to be appropriate to comply with the provisions of the Indenture.

General Account. There will be deposited in the General Account: (i) the proceeds of the sale of the Bonds, other than the amounts deposited in the Bond Issuance Expense Account and the Debt Service Reserve Fund as described below; and (ii) any other amounts required to be deposited in the General Account pursuant to the Indenture. The Trustee will apply the moneys in the General Account (i) to purchase the Qualified Obligations; (ii) to pay principal and interest coming due on the Bonds; (iii) to pay, as necessary, Program Expenses; (iv) to pay any amount needed to comply with Section 6.08 of the Indenture (rebate); and (v) to transfer to any other fund or account of the Bond Bank of any moneys in excess of the amounts needed to pay principal and interest on the Bonds within the immediately succeeding twelve month period pursuant to the Indenture.

Redemption Account. There will be deposited in the Redemption Account (i) all moneys received upon the sale or redemption prior to maturity of Qualified Obligations and (ii) such other amounts as may be designated by the Indenture. Funds in the Redemption Account will be disbursed as follows by the Trustee: (1) on such dates as are specified in the Indenture, an amount equal to the principal which would have been payable during the following month for Qualified Obligations sold or redeemed prior to maturity; (2) on such dates as are specified in the Indenture, to the extent moneys in the General Account are not sufficient, for the purpose of paying the principal of and interest on the Bonds as the same become due; (3) after providing for the payments required under (1) and (2) above, moneys may be used (A) on any redemption date, to redeem Bonds; (B) to purchase Qualified Obligations as permitted under the Indenture; (C) to transfer any excess moneys to the General Account; (D) to purchase Bonds at the most advantageous price obtainable with reasonable diligence; or (E) to invest such moneys until the maturity or maturities of Bonds in accordance with Article IX of the Indenture; and (4) if the Trustee is unable to purchase Bonds under (3) above, then, subject to the Indenture, the Trustee shall redeem Bonds to exhaust as nearly as possible the amounts remaining in the Redemption Account under the Indenture after payment of the amounts described in clauses (A), (B), (C) and (D) above. Upon presentation of a Cash Flow Certificate from the Bond Bank, the Trustee may transfer moneys to the General Account (pursuant to the Indenture.)

Bond Issuance Expense Account. There will be deposited in the Bond Issuance Expense Account: (i) a portion of the proceeds of the Bonds in an amount equal to the estimated costs of issuing the Bonds, and (ii) any other amounts required to be deposited therein pursuant to the Indenture. Funds in the Bond Issuance Expense Account will be disbursed to pay the costs of issuing the Bonds. Any funds remaining in the Bond Issuance Expense Account ninety days after the issuance of Bonds will be transferred to the General Account and the Bond Issuance Expense Account may, at the direction of the Bond Bank, be closed.

Debt Service Reserve Fund. The Trustee shall deposit in the Debt Service Reserve Fund all moneys required to be deposited therein pursuant to the Indenture, shall invest funds pursuant to the Indenture, and, except as provided below, shall disburse the funds held in the Debt Service Reserve Fund solely for the payment of interest on and principal of Bonds issued under the Indenture, and only if moneys in the General Account are insufficient to pay principal of and interest on the Bonds outstanding under the Indenture after making all the transfers required to be made from the Redemption Account. The Bond Bank may also deposit a Reserve Fund Credit Instrument into the Debt Service Reserve Fund to satisfy the Debt Service Reserve Requirement.

The Trustee shall disburse the funds held in the Debt Service Reserve Fund to pay principal and interest on Bonds of a Series, the proceeds of which are properly allocable to the Debt Service Reserve Fund in accordance with the schedule of such disbursements contained in the Indenture or the Supplemental Indenture for such Series of Bonds. Before funds may be disbursed from the Debt Service Reserve Fund other than pursuant to such schedule, an Authorized Officer shall certify that such disbursement will not create a deficiency in the Debt Service Reserve Requirement. If a deficiency in or depletion of the Debt Service Reserve Fund is projected in the Bond Bank's annual budget, the Chairman of the Bond Bank shall certify such projected deficiency to the Council on or before December 1 of the year prior to the fiscal year, or within 90 days of such projection, in which the deficit is projected to occur, whichever is earlier.

The Bond Bank will take all actions required under the Act to certify to the Council any deficiency in or depletion of the Debt Service Reserve Fund within 90 days of such deficiency regardless of whether such deficiency or depletion was projected in the annual budget.

Rebate Fund. There shall be made all deposits and disbursements as required by law from the Rebate Fund solely in accordance with the Bond Bank's written direction. Money at any time deposited in the Rebate Fund will be held by the Trustee in trust. The Trustee will remit part or all of the balances in the Rebate Fund to the United States, as directed by the Bond Bank. Any funds remaining in the Rebate Fund after redemption and payment of all of the Bonds and payment and satisfaction of any rebate amount, or provision made therefor satisfactory to the Trustee, will be distributed to the Bond Bank.

Investment of Money

Subject to the right of the Bond Bank to direct the investment or deposit of funds under the Indenture, moneys in any Fund or Account (except the Redemption Account) shall be continuously invested and reinvested or deposited or redeposited by the Trustee in the Investment Securities. Any moneys in the Redemption Account shall be invested only in Governmental Obligations as directed by the Bond Bank. Any moneys in the Rebate Fund shall be invested as directed by the Bond Bank from time to time. All such investments shall at all times be a part of the Fund or Account in which the moneys used to acquire such investments had been deposited and all Investment Earnings on such investments shall be deposited as received in the General Account,

except for income and profits on investment of funds in the Rebate Fund which shall remain in the Rebate Fund.

Additional Bonds

Additional Bonds may be issued from time to time only for the purchase of Additional Qualified Obligations, including but not limited to, Refunding Qualified Obligations, issued by a Qualified Entity or to refund all or a portion of the outstanding Bonds. Any Additional Bonds shall be authorized by a supplemental indenture, will be secured by the supplemental indenture and will be equally and ratably payable from the Trust Estate.

Covenants of Bond Bank

The Bond Bank covenants, among other things, that:

- (a) it will faithfully perform all provisions contained in each Bond and the Indenture and will promptly pay or cause to be paid (solely from the Trust Estate) the principal of, and interest on every Bond, on the dates and at the places and in the manner stated in the Bonds;
- (b) it is duly authorized under the constitution and laws of the State of Indiana, including particularly the Act, to issue the Bonds and to pledge the Revenues and all other property as pledged in the Indenture;
- (c) it will do all acts and things necessary to receive and collect Revenues (including enforcement of the prompt collection of all arrears on Qualified Obligation Payments) and to protect its rights with respect to the Qualified Obligations;
- (d) it will promptly make, execute, and deliver all indentures supplemental to the Indenture and to take all action deemed advisable and necessary by the Trustee for the better securing of the Bonds;
- (e) all books and documents in its possession relating to the Qualified Obligations shall at all times be open to inspection by such accountants or other agencies or persons as the Bond Bank or the Trustee may from time to time designate;
- (f) it will maintain proper books and records and: (i) within 120 days of each Fiscal Year, file with the Trustee a copy of an annual report and audited financial statements; and (ii) copies of all reports filed with the Bond Bank pursuant to the Purchase Agreement;
- (g) it will not (i) permit any material change in any Qualified Obligation; or (ii) sell or dispose of any Qualified Obligations unless it provides a Cash Flow Certificate to the Trustee. The Bond Bank will (i) enforce remedies available to owners of Qualified Obligations and (ii) pursue applicable remedies set forth in IC 5-1.4-8-4, to the extent such action would not adversely affect the validity of the Qualified Obligations.
- (h) at least sixty (60) days prior to the beginning of the Fiscal Year prepare and file with the Trustee a preliminary budget for the succeeding Fiscal Year.
- (i) it will regularly review investments held by the Trustee in the Funds and Accounts.

Tax Covenants

In order to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes and as an inducement to purchasers of the Bonds, the Bond Bank represents, covenants, and agrees that the Bond Bank will take no action nor fail to take any action with respect to the Bonds that would result in the loss of the exclusion from gross income for federal tax purposes of interest on the Bonds under Section 103 of the Code, nor will it act in any other manner which would adversely affect such exclusion. These tax covenants are based solely on current law in effect and in existence on the date of issuance of the Bonds. It shall not be an event of default under the Indenture if interest on any Bond is not excludable from gross income pursuant to any provision of the Code which is not in existence and in effect on the issue date of the Bonds.

Default and Remedies

Events of default under the Indenture include: (i) failure to pay the principal of or interest on any of the Bonds; (ii) occurrence of certain events of bankruptcy or insolvency of the Bond Bank; (iii) default in the performance or observance of any other of the covenants, agreements or conditions by the Bond Bank under the Indenture and the continuance of such default for sixty (60) days after receipt of written notice; (iv) failure to remit to the Trustee any moneys required to be remitted under the Indenture; (v) any warranty, representation or other statement is found to be false or misleading, when made, in any material respect and failure to remedy the same; and (vi) the Bond Bank for any reason shall be rendered incapable of fulfilling its obligation under the Indenture.

Upon the occurrence of one or more events of default, the Trustee may, and shall upon written request of the holders of at least twenty-five percent (25%) in principal amount of the Bonds then outstanding, pursue any available remedy by suit at law or in equity, whether for specific performance of any covenant or agreement contained in the Indenture or in aid of any power granted therein, to the extent permitted by law, the appointment of a receiver.

No holder of any of the Bonds shall have the right to institute any proceeding in law or in equity, or for the appointment of a receiver, or for any other remedy under the Indenture without complying with the provisions of the Indenture.

Remedies. In case of an event of default under the Indenture, the Trustee will proceed to protect and enforce its rights and the rights of the owners of the Bonds under the Indenture by a suit, action or proceeding in equity or at law or otherwise. The Trustee will be entitled to the appointment of a receiver of the trust estate and the Revenues.

Acceleration. If the Trustee certifies that there are sufficient moneys on deposit in the funds and accounts under the Indenture to pay the principal and accrued interest on all outstanding Bonds, the Trustee may by notice in writing to the Bond Bank and Corporation Counsel of the City, declare the principal of all the outstanding Bonds, declare the principal of all the outstanding Bonds, and the interest accrued thereon, to be due and payable immediately.

Application of Collection Proceeds. The proceeds of any collection efforts will be deposited in the General Account, and all such moneys in the General Account will be applied by the Trustee as follows:

- (i) To the payment of costs and expenses of suit, if any, and of the expenses, liabilities and advances incurred or made under the Indenture by the Trustee and any other moneys owed to the Trustee; then
- (ii) Unless the principal of all Bonds shall have become due and payable, in the following order to the payment of: (i) interest then due on the Bonds, including interest on overdue principal of the Bonds; (ii) principal then due of the Bonds; and (iii) principal of and interest on Bonds thereafter due either at maturity or upon call for redemption; then
- (iii) Whenever all principal of and interest on all Bonds have been paid and all expenses and charges to the Trustee have been paid any balance remaining in the General Fund shall be paid as provided in the Article VI of the Indenture.

If the principal of all of the Bonds shall have become due and payable, all of such moneys shall be applied to the payment of unpaid principal and interest on the Bonds.

Supplemental Indentures

Supplemental Indentures Not Requiring Bondholder Consent. The Bond Bank and the Trustee may, without obtaining the approval of the holders of the Bonds, enter into supplemental indentures (i) to cure any ambiguity or formal defect or omission in the Indenture; (ii) to grant to the Trustee for the benefit of such holders any additional benefits, rights, remedies, powers or authorities that may be lawfully granted; (iii) to subject to the pledge of the Indenture additional security, revenues, properties, or collateral; (iv) to amend the Indenture or any supplemental indenture to permit qualification under the Trust Indenture Act of 1939, as amended; (v) to evidence the appointment of a separate or co-trustee or the succession of a new trustee, registrar, or paying agent; (vi) to provide for the issuance of each additional series of Bonds permitted by the Indenture; (vii) to refund all or a portion of the Bonds; (viii) to permit compliance with any future federal tax law; and (ix) for any other purpose which the Trustee, in its sole discretion, determines will not have a material adverse effect on the interests of the owners of the Bonds; provided, however, that the Bond Bank and the Trustee will make no amendment permitting the purchase of obligations other than Additional Qualified Obligations.

Supplemental Indentures Requiring Bondholder Consent. With the consent of the owners of not less than a majority of the aggregate principal amount of Bonds outstanding which are affected, the Bond Bank and the Trustee may from time to time enter into a supplemental indenture for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture; provided, however, that no such supplemental indenture shall without the consent of the owners of all of the outstanding Bonds: (i) extend the maturity of any Bond or change the rate of interest thereon or extend the time of payment of interest, or reduce the amount of the principal thereof, or -reduce any premium payable on the redemption thereof; (ii) reduce the aforesaid percentage of owners required to approve any such supplemental indenture; (iii) permit a privilege or priority of any Bond or Bonds over any other Bond or Bonds; (iv) permit a reduction in the aggregate principal amount of the Bonds required for consent to such

supplemental indenture; (v) permit the creation of any lien securing any Bonds other than a lien ratably securing all of the Bonds outstanding under the Indenture; (vi) permit any modification of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Trustee without the written consent of the Trustee; or (vii) reduce the Bond Bank Reserve Requirement.

Defeasance

The covenants, liens and pledges entered into, created and pursuant to the Indenture may be fully discharged and satisfied with respect to the Bonds in any one or more of the following ways:

- (i) By paying all of the principal, premium, if any, and interest on the Bonds, when the same become due and payable;
- (ii) By depositing with the Trustee in the manner provided by the Indenture and for such purpose, at or before the date or dates of maturity or redemption, moneys in the necessary amount to pay or redeem all of the Bonds and the premium, if any, and interest thereon accrued to the date of payment;
- (iii) By depositing with the Trustee and for such purpose, at or before the dates of maturity or redemption, noncallable or nonprepayable Governmental Obligations in an amount sufficient, including any income or increment to accrue thereon, but without the necessity of any reinvestment, to pay or redeem all the Bonds and the interest thereon accrued to the date of payment in accordance with their terms; or
- (iv) By depositing with the Trustee for such purpose a combination of such moneys and Governmental Obligations and all fees and expenses of the Trustee.

Upon such complete discharge and satisfaction, the Indenture will cease, terminate and be void. Upon the deposit with the Trustee money or Governmental Obligations in the amount as described above, provided that if the Bonds are to be redeemed prior to the maturity thereof, notice of such redemption has been given as provided in the Indenture, or such provisions satisfactory to the Trustee have been made for the giving of such notice, the Indenture may be discharged in accordance with the provisions of the Indenture, but the limited liability of the Bond Bank with respect to the Bonds to be redeemed shall continue, provided that the owners thereof shall thereafter be entitled only to payment out of the money or Governmental Obligations deposited with the Trustee for their payment.

DEFINITIONS

Certain capitalized terms used in the Indenture and Bond Resolution summaries are defined as follows:

"Act" means the provisions of IC 5-1.4.

"Additional Bonds" means Bonds issued pursuant to the Indenture and any Supplemental Indenture.

"Additional Qualified Obligations" means any Qualified Obligations which are payable from annual appropriations of CCF Revenues, issued by a Qualified Entity, other than the 2002 Redevelopment District Bonds, and purchased by the Bond Bank with a portion of the proceeds of a Series of Bonds.

"Area" means the Martindale-Brightwood Industrial Development Area described in the Declaratory Resolution.

"Bond Bank" means the Indianapolis Local Public Improvement Bond Bank.

"Bond Counsel" means Counsel that is nationally recognized in the area of municipal law and matters relating to the exclusion of interest on municipal bonds from gross income under federal tax law.

"Bond Resolution" means the bond resolution adopted by the Metropolitan Development Commission of Marion County, Indiana acting as the Redevelopment Commission of the City of Indianapolis, Indiana on October 2, 2002 authorizing the issuance of the 2002 Redevelopment District Bonds.

"Bondholder" or "holder of Bonds," "owner of Bonds" or "Registered Owner" or any similar term means the registered owner of any Bond, including the Bond Bank, and any purchaser of Bonds being held for resale, including the Bond Bank.

"Cash Flow Certificate" means a certificate prepared by an accountant or firm of accountants in accordance with the Indenture concerning anticipated Revenues.

"CCF Revenues" means annual appropriations of the Cumulative Capital Funds of the City of Indianapolis and of Marion County, Indiana appropriated and deposited in accordance with the Bond Resolution.

"City" means the City of Indianapolis, Indiana.

"Code" means the Internal Revenue Code of 1986, as in effect on the date of issuance of any Series of Bonds, and the applicable judicial decisions or published rulings, or any applicable regulations

promulgated or proposed thereunder or under the Internal Revenue Code of 1954 as in effect immediately prior to the enactment of the Tax Reform Act of 1986.

"Fees and Charges" means fees and charges established by the Bond Bank from time to time pursuant to the Act which are payable by the Qualified Entity.

"Fiscal Year" means the twelve month period from January 1 through the following December 31.

"Governmental Obligations" means (a) direct obligations of the United States of America or obligations the timely payment of the principal of and interest on which are unconditionally guaranteed by the United States of America, including but not limited to securities evidencing ownership interests in such obligations or in specified portions thereof (which may consist of specific portions of the principal of or interest on such obligations), and (b) obligations of any state of the United States of America or any political subdivision thereof, the full payment of principal of, premium, if any, and interest on which (i) are unconditionally guaranteed or insured by the United States of America, or (ii) are provided for by an irrevocable deposit of securities described in clause (a) and are not subject to call or redemption by the issuer thereof prior to maturity or for which irrevocable instructions to redeem have been given.

"Investment Earnings" means earnings and profits (after consideration of any accrued interest paid and amortization of premium or discount on the investment) on the moneys in the Funds and Accounts established under the Indenture, except the Rebate Fund.

"Investment Securities" means any of the following: (a) Governmental Obligations; (b) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies: Export-Import Bank, Farmers Home Administration, Federal Financing Bank, Federal Housing Administration, Government National Mortgage Association, Maritime Administration, Public Housing Authorities, Banks for Cooperatives or Farm Credit Banks; (c) certificates of deposit, savings accounts, deposit accounts or depository receipts of a bank, savings and loan association and mutual savings bank, including the Trustee, each fully insured by the Federal Deposit Insurance Corporation; (d) bankers' acceptances or certificates of deposit of commercial banks or savings and loan associations, including the Trustee, which mature not more than one year after the date of purchase; provided the banks or savings and loan associations (as opposed to their holding companies) are rated for unsecured debt at the time of purchase of the investments in the single highest full classification established by Moody's Investors Service ("Moody's") and S&P; (e) commercial paper rated at the time of purchase in the single highest full classification by Moody's and S&P and which matures not more than 270 days after the date of purchase; (f) investment agreements fully and properly secured at all times by collateral security described in (a), (b), or (c) above; (g) repurchase agreements with any bank or trust company organized under the laws of any state of the United States of America or any national banking association (including the Trustee) or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, each of which agreement is secured by any one or more of the securities described in clauses (a), (b) or (c) above; provided,

underlying securities are required by the repurchase agreement to be continuously maintained at a market value not less than the amount so invested; and (h) shares of a money market mutual fund registered under the Investment Company Act of 1940, as amended, whose shares are registered under the Securities Act of 1933, as amended, or units of a common trust fund, which is rated by Moody's or S&P in one of the two highest categories assigned by such Rating Agencies to obligations of that nature and which invests its assets solely in obligations described in (a) and (g) above.

"Program" means the program for the purchase of Qualified Obligations by the Bond Bank pursuant to the Act and the Indenture.

"Program Expenses" means all of the Bond Bank's expenses in carrying out and administering the Program pursuant to the Indenture and shall include, without limiting the generality of the foregoing, salaries, supplies, utilities, mailing, labor, materials, office rent, maintenance, furnishings, equipment, machinery and apparatus, telephone, insurance premiums, credit enhancement fees, liquidity facility fees, legal, accounting, management, consulting and banking services and expenses, fees and expenses of the Trustee, the Registrar and the Paying Agent (as defined in the Indenture), costs of verifications required under Section 6.14 of the Indenture, Costs of Issuance not paid from the proceeds of Bonds, travel, payments for pension, retirement, health and hospitalization, life and disability insurance benefits, any other costs permitted under the Act, and rebates, if any, which in the opinion of nationally recognized bond counsel are required to be made under the Code in order to preserve or protect the exclusion from gross income for federal tax purposes of interest on the Bonds, all to the extent properly allocable to the Program.

"Project" means the construction of road, water, sewer and other infrastructure improvements as described in the Resolution.

"Qualified Entity" means the Metropolitan Development Commission of Marion County, Indiana acting as the Redevelopment Commission of the City of Indianapolis, a qualified entity under IC 5-1.4-1-10.

"Qualified Entity Purchase Agreement" means the Qualified Entity Purchase Agreement between the Bond Bank and the Metropolitan Development Commission of Marion County, Indiana acting as the Redevelopment Commission of the City of Indianapolis authorizing the Bond Bank's purchase of the 2002 Redevelopment District Bonds, the form of which was approved at the meeting of the Board of Directors of the Bond Bank on _____, 2002.

"Qualified Obligation" means a Security (as that term is defined in the Act), including the 2002 Redevelopment District Bonds, which has been acquired by the Bond Bank pursuant to the Indenture.

"Qualified Obligation Payment" means the amounts paid or required to be paid, from time to time, for principal and interest by the Qualified Entity to the Bond Bank on the Qualified Entity's

Qualified Obligation and any Fees and Charges paid or required to be paid by any Qualified Entity to the Bond Bank under the provisions of any agreement for the purchase and sale of Securities.

"Refunding Qualified Obligation" means any Qualified Obligation issued to refund any of the Qualified Obligations or another Refunding Qualified Obligation.

"Revenues" means the income, revenues and profits of the Funds and Accounts referred to in the granting clauses of the Indenture including, without limitation, all Qualified Obligation Payments and Investment Earnings, but excluding amounts required to be deposited and maintained in the Rebate Fund.

"Series of Bonds" or "Bonds of a Series" or "Series" or words of similar meaning means any Series of Bonds authorized by the Indenture or by a supplemental indenture.

"2002 Redevelopment District Bonds" means the City of Indianapolis, Indiana Redevelopment District Annual Appropriation Revenue Bonds of 2002, dated as of their issue date, and issued in the original aggregate principal amount of \$_____.

APPENDIX C

Summary of Certain Provisions of the Metropolitan Development Commission's Authorizing Resolution

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION OF THE METROPOLITAN DEVELOPMENT COMMISSION OF MARION COUNTY, INDIANA, ACTING AS THE REDEVELOPMENT COMMISSION OF THE CITY OF INDIANAPOLIS, INDIANA

The Metropolitan Development Commission of Marion County, Indiana, acting as the Redevelopment Commission of the City of Indianapolis, Indiana ("Commission") will issue its City of Indianapolis Redevelopment District Annual Appropriation Revenue Bonds of 2002 ("2002 Redevelopment District Bonds") pursuant to the Commission's Bond Resolution adopted by the Commission on October 2, 2002 ("Resolution"). This summary does not purport to be complete and is subject in all respects to the provisions of, and is qualified in its entirety by reference to, the Resolution. Certain capitalized terms used in this summary are defined at the end of Appendix B.

Source of Payment

The 2002 Redevelopment District Bonds are limited obligations of the Commission payable from and subject to the annual appropriations of the City-County Council of the City of Indianapolis and of Marion County, Indiana ("Annual Appropriations") of the Cumulative Capital Funds of the City of Indianapolis and of Marion County, Indiana ("CCF Revenues") and Funds and Accounts created under the Resolution.

Establishment of Funds and Accounts

The Resolution establishes and creates the following Funds: (1) the Construction Fund; (2) the Bond Principal and Interest Fund; and (3) the Debt Service Reserve Fund.

Construction Fund. Proceeds of the 2002 Redevelopment District Bonds shall be deposited in the Construction Fund. The proceeds in the Construction Fund and investment earnings on amounts held therein shall be expended only to pay the costs of the Project and debt service on the 2002 Redevelopment District Bonds. Any moneys remaining in the Construction Fund after the payment of all claims, as directed by the Mayor and the Commission, shall be transferred to the Bond Principal and Interest Fund to pay debt service on the Bonds, to fund or replenish the Debt Service Reserve Fund, or, as directed by the Commission, for the same purpose or type of project for which the 2002 Redevelopment District Bonds were issued, in accordance with IC 5-1-13, as amended from time to time.

Bond Principal and Interest Fund. There shall be deposited into the Bond Principal and Interest Fund, upon receipt by the City, the Annual Appropriation of CCF Revenues. To the extent the available amount in the Bond Principal and Interest Fund is at least equal to the amount of debt

service becoming due and payable on all outstanding 2002 Redevelopment District Bonds on the next payment date, no deposit need be made to the Bond Principal and Interest Fund. The moneys in the Bond Principal and Interest Fund shall be used solely for the purpose of paying debt service on the 2002 Redevelopment District Bonds, as they shall become due and payable (including accrued interest on any bonds redeemed prior to maturity).

Debt Service Reserve Fund. Proceeds of the 2002 Redevelopment District Bonds in an amount not to exceed the Debt Service Reserve Requirement (as defined in the Indenture) shall be deposited in the Debt Service Reserve Fund. For so long as the Bond Bank owns the 2002 Redevelopment District Bonds, the City, in its discretion, may cause amounts in the Debt Service Reserve Fund to be held by the Trustee for the Bond Bank in the debt service reserve fund established for the Bond Bank bonds, and the City may offset its obligation to maintain a balance in the Debt Service Reserve Fund by any such amount so held. The Trustee shall administer and invest these moneys in accordance with the Resolution and the Indenture. If the 2002 Redevelopment District Bonds are not held by the Bond Bank, the Controller shall hold the funded reserve for the purposes set forth in the Resolution. If moneys in the Debt Service Reserve Fund are transferred to the Bond Principal and Interest Fund to pay debt service on the 2002 Redevelopment District Bonds (or, alternatively, if moneys in the Debt Service Reserve Fund held by the Trustee are transferred to the debt service fund for the Bond Bank bonds to pay principal of and interest on the Bond Bank bonds), the depletion of the balance in the Debt Service Reserve Fund (or in the debt service reserve fund held by the Trustee for the Bond Bank bonds) shall be made up from the next available CCF Revenues appropriated after the required deposits to the Bond Principal and Interest Fund are made. Any moneys in the Debt Service Reserve Fund in excess of the Debt Service Reserve Requirement shall be deposited in the Bond Principal and Interest Fund and applied as set forth in the Resolution.

Investment of Funds and Accounts

All funds and accounts established under the Resolution shall be held, administered and invested in a manner which is permitted by, and consistent with, Indiana law.

Defeasance

If, when the 2002 Redevelopment District Bonds or any portion thereof shall have become due and payable in accordance with their terms or shall have been duly called for redemption, or irrevocable instructions to call the 2002 Redevelopment District Bonds or a portion thereof for redemption, shall have been given and the whole amount of the Debt Service so due and payable upon the 2002 Redevelopment District Bonds or any portion thereof then outstanding shall be paid, or (i) sufficient moneys, (ii) noncallable, direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, the principal of and the interest on which when due, will provide sufficient moneys, (iii) obligations of any state of the United States of America or any political subdivision thereof, the full payment of principal of, and interest on which (a) are unconditionally guaranteed or insured by the United States of America, or (b) are provided for by an irrevocable deposit of securities described in clause (ii) and are not subject to call

or redemption by the issuer thereof prior to maturity or for which irrevocable instructions to redeem have been given, or (iv) any combination of the foregoing, shall be held irrevocably in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case the 2002 Redevelopment District Bonds or such designated portion thereof shall no longer be deemed outstanding or secured by the Resolution.

Tax Covenants

In order to preserve the exclusion of interest on the 2002 Redevelopment District Bonds from gross income for federal income tax purposes and as an inducement to the Bond Bank, the Commission represents, covenants, and agrees that:

(i) The Project will be available for use by members of the general public. Use by a member of the general public means use by natural persons not engaged in a trade or business. No person or entity, other than the Commission, the City or another state or local government unit, will use more than 10% of the proceeds of the 2002 Redevelopment District Bonds or property financed by proceeds of the 2002 Redevelopment District Bonds other than as a member of the general public. The Project consists of the construction of certain road improvements in, serving or benefitting the Area and will be available for general public use. No person or entity, other than the Commission, the City or another state or local governmental unit, will own property financed by bond proceeds or will have actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, an arrangement such as a take-or-pay or output contract or any other type of arrangement that conveys other special legal entitlements and differentiates that person's or entity's use of such property from the use by the general public, unless such uses in the aggregate relate to no more than 10% of the proceeds of the 2002 Redevelopment District Bonds. If the City or the Commission enters into a management contract for the Project, the terms of the contract will comply with IRS Revenue Procedure 97-13, as it may be amended, supplemented or superseded from time to time, so that the contract will not give rise to private business use under the Code unless such use in aggregate relates to no more than 10% of the proceeds of the 2002 Redevelopment District Bonds;

(ii) No more than 5% of the 2002 Redevelopment District Bond proceeds will be loaned to any entity or person. No more than 5% of the 2002 Redevelopment District Bond proceeds will be transferred, directly or indirectly, or deemed transferred to any person or entity other than another state or local governmental unit in any manner that would in substance constitute a loan of the Bond proceeds;

(iii) The Commission reasonably expects, as of the date hereof, that the 2002 Redevelopment District Bonds will not meet the private business use test described in paragraph (i) above or the private loan test described in paragraph (ii) above during the entire term of the 2002 Redevelopment District Bonds;

(iv) No more than 5% of the proceeds of the 2002 Redevelopment District Bonds will be attributable to private business use as described in (i). For this purpose, the private business use test is applied by taking into account only use that is not related to any government use of proceeds of the issue (Unrelated Use) and use that is related but disproportionate to any governmental use of those proceeds (Disproportionate Use);

(v) The Commission and the City will not take any action or fail to take any action with respect to the 2002 Redevelopment District Bonds that would result in the loss of the exclusion from gross income for federal tax purposes of interest on the 2002 Redevelopment District Bonds under Section 103 of the Code, nor will it act in any other manner which would adversely affect such exclusion; and the Commission and the City will not make any investment or do any other act or thing during the period that the 2002 Redevelopment District Bonds are outstanding which would cause any of the 2002 Redevelopment District Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. The Commission and the City covenant and agree not to enter into any contracts or arrangements which would cause the 2002 Redevelopment District Bonds to be treated as private activity bonds under Section 141 of the Code;

(vi) The 2002 Redevelopment District Bonds are not private activity bonds as defined in Section 141 of the Code;

(vii) The 2002 Redevelopment District Bonds are not federally guaranteed under Section 149(b) of the Code.

Amendments

Supplemental Resolutions Requiring Consent of Owners. The Owners of not less than 51% in aggregate principal amount of the 2002 Redevelopment District Bonds then outstanding shall have the right, from time to time except when contrary to the Resolution, to approve the adoption by the Commission of such supplemental resolution; provided, however, no supplemental resolution shall, without the consent of all affected Owners, permit:

(i) An extension of the maturity of the principal of and interest on any 2002 Redevelopment District Bonds; A reduction in the principal amount of any 2002 Redevelopment District Bonds or the rate of interest thereon;

(ii) A privilege or priority of any 2002 Redevelopment District Bond or bonds over any other 2002 Redevelopment District Bond or Bonds;

(iii) A reduction in the aggregate principal amount of the 2002 Redevelopment District Bonds required for consent to supplemental resolution;

(iv) A change in the lien on the appropriated CCF Revenues for any 2002 Redevelopment District Bonds;

(v) The creation of any lien securing any 2002 Redevelopment District Bonds other than a lien ratably securing all of the Bonds at any time outstanding;

(vi) A change in the method of accrual of interest on any 2002 Redevelopment District Bonds; or

(vii) A reduction in the Debt Service Reserve Requirement.

If the Owners of not less than 51% in aggregate principal amount of the 2002 Redevelopment District Bonds then outstanding shall have consented to and approved the adoption thereof as provided in the Resolution, no subsequent owners of any 2002 Redevelopment District Bonds shall have any right to object to the execution of such resolution or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Commission from adopting the same, or from taking any action pursuant to the provisions thereof.

Upon the adoption of any supplemental resolution pursuant to the provisions of the Resolution, the Resolution shall be, and shall be deemed, modified, and amended in accordance therewith, and the respective rights, duties, and obligations under the Resolution of the Commission and all Owners of 2002 Redevelopment District Bonds then outstanding shall thereafter be determined, exercised, and enforced in accordance with the Resolution, subject in all respects to such modifications and amendments.

Supplemental Resolutions Not Requiring Consent of Owners. The Commission may from time to time and at any time, adopt a supplemental Resolution for any one or all of the following purposes, without the consent of the Owners of any outstanding 2002 Redevelopment District Bonds:

- (i) to cure any ambiguity or formal defect or omission in the Resolution;
- (ii) to grant to or confer upon the Owners of the 2002 Redevelopment District Bonds any additional rights, remedies, powers, authority or benefits that may be lawfully granted;
- (iii) to modify, amend or supplement the Resolution to permit the qualification of the 2002 Redevelopment District Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America or the qualification of the Resolution under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect if such modification, amendment or supplement will not have a material adverse effect on the Owners of the Bonds;
- (iv) to provide for the refunding or advance refunding of all or a portion of the 2002 Redevelopment District Bonds;
- (v) to subject to the Resolution additional revenues, security, properties or collateral;
- (vi) to make any other change which, in the judgment of the Commission, will not adversely affect the interests of the Owners of the 2002 Redevelopment District Bonds in any material way;
or
- (vii) to amend the Resolution to permit the Commission, acting in the name of the City, to comply with any future federal tax law or any covenants contained in any supplemental Resolution with respect to compliance with future federal tax law.

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APPENDIX D

**Year Ended December 31, 2001 Audited Financial Statements and Statistical Tables of the
Year Ended December 31, 2001 Comprehensive Annual Financial Report of the City of
Indianapolis**

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